

REFERENCE TITLE: **homeowners' associations; rental notice; fines**

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SB 1489

Introduced by
Senator Miranda

AN ACT

AMENDING SECTIONS 33-1242 AND 33-1803, ARIZONA REVISED STATUTES; RELATING TO CONDOMINIUMS AND PLANNED COMMUNITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 33-1242, Arizona Revised Statutes, is amended to
3 read:

4 33-1242. Powers of unit owners' association

5 Subject to the provisions of the declaration, the association may:

6 1. Adopt and amend bylaws and rules.

7 2. Adopt and amend budgets for revenues, expenditures and reserves and
8 collect assessments for common expenses from unit owners.

9 3. Hire and discharge managing agents and other employees, agents and
10 independent contractors.

11 4. Institute, defend or intervene in litigation or administrative
12 proceedings in its own name on behalf of itself or two or more unit owners on
13 matters affecting the condominium.

14 5. Make contracts and incur liabilities.

15 6. Regulate the use, maintenance, repair, replacement and modification
16 of common elements.

17 7. Cause additional improvements to be made as a part of the common
18 elements.

19 8. Acquire, hold, encumber and convey in its own name any right, title
20 or interest to real or personal property, except that common elements may be
21 conveyed or subjected to a security interest only pursuant to section
22 33-1252.

23 9. Grant easements, leases, licenses and concessions through or over
24 the common elements.

25 10. Impose and receive any payments, fees or charges for the use,
26 rental or operation of the common elements other than limited common elements
27 described in section 33-1212, paragraphs 2 and 4 and for services provided to
28 unit owners.

29 11. Impose charges for late payment of assessments and, after notice
30 and an opportunity to be heard, impose reasonable monetary penalties upon
31 unit owners for violations of the declaration, bylaws and rules of the
32 association **INCLUDING VIOLATIONS OF ANY REQUIREMENT FOR THE UNIT OWNER TO
33 PROVIDE NOTICE TO THE ASSOCIATION REGARDING THE RENTAL OF THE UNIT.**

34 12. Impose reasonable charges for the preparation and recordation of
35 amendments to the declaration or statements of unpaid assessments.

36 13. Provide for the indemnification of its officers and executive board
37 of directors and maintain directors' and officers' liability insurance.

38 14. Assign its right to future income, including the right to receive
39 common expense assessments, but only to the extent the declaration expressly
40 provides.

41 15. Be a member of a master association or other entity owning,
42 maintaining or governing in any respect any portion of the common elements or
43 other property benefitting or related to the condominium or the unit owners
44 in any respect.

45 16. Exercise any other powers conferred by the declaration or bylaws.

1 17. Exercise all other powers that may be exercised in this state by
2 legal entities of the same type as the association.

3 18. Exercise any other powers necessary and proper for the governance
4 and operation of the association.

5 Sec. 2. Section 33-1803, Arizona Revised Statutes, is amended to read:

6 33-1803. **Penalties**

7 A. Unless limitations in the community documents would result in a
8 lower limit for the assessment, the association shall not impose a regular
9 assessment that is more than twenty per cent greater than the immediately
10 preceding fiscal year's assessment without the approval of the majority of
11 the members of the association. Unless reserved to the members of the
12 association, the board of directors may impose reasonable charges for the
13 late payment of assessments. A payment by a member is deemed late if it is
14 unpaid fifteen or more days after its due date, unless the community
15 documents provide for a longer period. Charges for the late payment of
16 assessments are limited to the greater of fifteen dollars or ten per cent of
17 the amount of the unpaid assessment. Any monies paid by the member for an
18 unpaid assessment shall be applied first to the principal amount unpaid and
19 then to the interest accrued.

20 B. After notice and an opportunity to be heard, the board of directors
21 may impose reasonable monetary penalties on members for violations of the
22 declaration, bylaws and rules of the association **INCLUDING VIOLATIONS OF ANY**
REQUIREMENT FOR THE MEMBER TO PROVIDE NOTICE TO THE ASSOCIATION REGARDING THE
RENTAL OF THE MEMBER'S UNIT. Notwithstanding any provision in the community
23 documents, the board of directors shall not impose a charge for a late
24 payment of a penalty that exceeds the greater of fifteen dollars or ten per
25 cent of the amount of the unpaid penalty. A payment is deemed late if it is
26 unpaid fifteen or more days after its due date, unless the declaration,
27 bylaws or rules of the association provide for a longer period. Any monies
28 paid by a member for an unpaid penalty shall be applied first to the
29 principal amount unpaid and then to the interest accrued. Notice pursuant to
30 this subsection shall include information pertaining to the manner in which
31 the penalty shall be enforced.